

OFFICE OF THE ATTORNEY GENERAL CONNECTICUT

March 18, 2020

Mr. Ben Garry, Senior Corporate Counsel Amazon.com, Inc. 410 Terry Avenue North Seattle, WA 98109-5210 via electronic mail: brgarry@amazon.com

Dear Mr. Garry:

Our purpose in writing is to: 1) inform you of this complaint about a purchase on your platform; 2) provide you with an overview of the "anti-gouging" law that went into effect upon issuance of our Governor's Emergency Declaration; and 3) understand Amazon's efforts to stop "profiteering" or "price gouging." Consumers, especially under current conditions, should not be charged unreasonable sums for such health-related products. With the size of its market share, Amazon plays a crucial role in deterring price gouging, and assisting law enforcement in bringing predatory sellers to account.

On March 10, 2020, Connecticut Governor Lamont signed a Declaration of Public Health and Civil Preparedness Emergencies on March 10, 2020 ("Declaration") in response to the global pandemic of COVID 19 disease. (Copy enclosed herewith). This Declaration has the legal effect of prohibiting the "increase [of] the price of any item . . . for sale at retail at any location in an area which is the subject of any disaster emergency declaration issued by Governor . . ." beyond fluctuations in the retail price of items which occur during the normal course of business. Conn. Gen. Stat. § 42-230. The Governor's Declaration covers the entire state. Furthermore, a violation of § 42-230 also constitutes a per se violation of the Connecticut Unfair Trade Practices Act. Conn. Gen Stat. § 42-110b et seq.

This Office received a complaint from a Connecticut consumer who recently attempted to purchase two types of 3M face masks through Amazon. The complaint and a "screen shot" of the purchase order are attached. According to this complaint, the consumer was charged nearly \$400 in shipment fees for two small boxes of face masks with a retail value of under \$100.

On its face, Amazon's Fair Pricing Policy appears to be consistent with, and supportive of, Connecticut's anti-price gouging statute. However, the Policy alone lacks sufficient detail to address our concerns regarding this specific customer complaint and understand whether Amazon's policies and practices adequately protect Connecticut consumers. Therefore, kindly provide answers to the following questions by March 27, 2020. Where applicable, the response should cover the time period from 3:00 PM on March 10, 2020 to the date of the completion of your response to this letter (the "Relevant Period").

165 Capitol Avenue Hartford, Connecticut 06106

- 1. Please provide detailed, complete responses for the following:
 - a. A list of every transaction on the Amazon platform for the seller known as "VictoryZ"involving Connecticut consumers, including the dates, products sold, cost breakdown including tax, shipping and handling, and the name and contact information for every buyer during the Relevant Period;
 - b. A copy of the executed agreement or contract between Amazon and the subject Seller that establishes the terms for Amazon's fees:
 - c. Describe the manner, frequency, scope, and subsequent analysis of systemic monitoring for profiteering conducted by Amazon before March 10, 2020 and during the Relevant Period;
 - d. Describe additional policing efforts you undertake upon identifying a seller/profiteer;
 - e. Detail the factors you utilize to determine whether to: i) remove the Buy Box; ii) remove the offer; iii) suspend the shipment; and/or iv) terminate selling privileges;
 - f. Outline your efforts to educate Amazon customers on ways to avoid being victimized and report profiteering;
 - g. Define your procedures for responding to consumer complaints of profiteering;
 - h. Provide a detailed description of the preventative measures your company takes to curb and prevent profiteering;
 - Please list every individual, company, or organization you have identified as a profiteer who lives or has a physical presence in the State of Connecticut and/or has sold products to Connecticut consumers during the Relevant Period;
 - j. The name and title of the business representative(s) most knowledgeable about the information provided in 1. (a)-(i) above; and
 - k. Any additional documentation that supports your response.

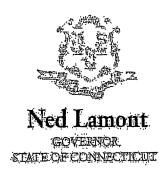
Thank you in advance for your assistance. Send your response to Assistant Attorney General Kim McGee at kim.mcgee@ct.gov and to Assistant Attorney General Jon Blake at jonathan.blake@ct.gov, or mail your response to the office address noted on this correspondence. Should you have any questions regarding this matter, please contact Assistant Attorneys General Kim McGee or Jon Blake at 860-808-5400. We look forward to your responses.

Very truly yours,

Kimberly C. McGee

Kim Carlson McGee, Assistant Attorney General Office of the Connecticut Attorney General 165 Capitol Avenue Hartford, CT 06106 Cc: Nicole Jefferson:nicolesj@amazon.com

Enclosures



March 10, 2020

The Honorable Denise Merrill Secretary of the State State Capital Hartford, CT 06106

Frederick J. Joriner Clerk of the State House of Representatives State Capitol Haufford, CT 06016

Michael Jefferson Clerk of the State Senate State Capital Hanford, CT 06016

RE: Declaration of Public Health and Civil Preparedness Emergencies

Dear Secretary Merrill and Clerks of the General Assembly:

In response to the global pandemic of COVID 19 disease associated with a novel commavirus that is currently affecting multiple countries and states and has resulted in the spread of infections in Connecticul and surrounding states, as well as resulting shortages of personal protective equipment and other supplies that could jeopardize public safety and civil preparedness, and in order to provide me and other appropriate officials with all authorities necessary to limit the spread of the COVID 19 coronavirus and protect public safety within the State of Connecticut, I hereby declare a public health emergency and civil preparedness emergency throughout the State, pursuant to Sections 19a-131a and 28-9 of the Connecticut General Statutes. Such public health emergency and civil preparedness emergency shall remain in effect through September 9th, 2020, unless terminated earlier by me.

Specifically, in accordance with Connecticut General Statutes Section 19a-131a (f). I hereby authorize and direct the Commissioner of Public Health to delegate the powers regarding isolation or quarantine to municipal and district directors of public health. Municipalities, local

health officials, and local education officials are directed to follow previously issued guidance and apply relevant principles of risk management to decisions about whether to cancel, modify, or postpone large gatherings, public events, or travel.

Orders regarding additional measures to protect public health and safety, including suspension or modification of specific statutes, will follow as I determine to be necessary.

I am filing this declaration with you under my hand and seal on this 10^{th} day of March 2020.

2:25 pm

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Ned Lamont Governor